



**7535-01-U**

## **NATIONAL CREDIT UNION ADMINISTRATION**

### **Agency Information Collection Activities: Submission to OMB for Reinstatement, with Change, of a Previously Approved Collection; Comment Request**

**AGENCY:** National Credit Union Administration (NCUA).

**ACTION:** Request for comment.

**SUMMARY:** The NCUA intends to submit the following information collection to the Office of Management and Budget (OMB) for review and clearance under the Paperwork Reduction Act of 1995 (Public Law 104-13, 44 U.S.C. Chapter 35).

This information collection is published to obtain comments from the public.

Section 721.1(h) of the NCUA Rules and Regulations regulates purchases by federally insured credit unions of indirect vehicle loans serviced by third-parties. 721.1(h) limits the aggregate amount of these loans serviced by any single third-party to a percentage of the credit union's net worth. This rule ensures that federally insured credit unions do not undertake undue risk with these purchases. This data collection enables NCUA to evaluate waiver requests of these limits.

**DATES:** Comments must be received on or before [insert date 60 days after the publication].

**ADDRESSES:** Interested parties are invited to submit written comments to the NCUA Contact and the OMB Reviewer listed below:

NCUA Contact: Tracy Crews  
National Credit Union Administration  
1775 Duke Street  
Alexandria, Virginia 22314-3428  
Fax No. 703-837-2861  
E-mail: [OCIOFRA@ncua.gov](mailto:OCIOFRA@ncua.gov)

OMB Contact: Office of Management and Budget  
ATTN: Desk Officer for the National Credit Union  
Administration  
Office of Information and Regulatory Affairs  
Washington, DC 20503

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information, a copy of the information collection request, or a copy of submitted comments should be directed to Tracy Crews at the National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428, or at (703) 518-6444.

**SUPPLEMENTARY INFORMATION:**

**I. Abstract and request for comments**

NCUA is reinstating, with change, the collection for 3133-0171. NCUA Rules and Regulations §701.21(h) establishes limits at federally-insured credit unions on the purchase of interests in indirect vehicle loans serviced by any

particular third-party servicer. These indirect, outsourced programs create numerous risks to the credit union, and the rule ensures that these risks will not lead to significant negative impacts on the credit union's net worth and losses to the National Credit Union Share Insurance Fund. The rule allows a credit union to apply for a waiver of the limits, but to obtain a waiver the credit union must demonstrate to the NCUA that it understands the risks and has taken appropriate measures to monitor and protect itself against the risks. Because the waiver requests consist primarily of qualitative data, the NCUA call report system cannot be used for this collection.

The NCUA requests that you send your comments on this collection to the location listed in the addresses section. Your comments should address: (a) the necessity of the information collection for the proper performance of NCUA, including whether the information will have practical utility; (b) the accuracy of our estimate of the burden (hours and cost) of the collection of information, including the validity of the methodology and assumptions used; (c) ways we could enhance the quality, utility, and clarity of the information to be collected; and (d) ways we could minimize the burden of the collection of the information on the respondents such as through the use of automated collection techniques or other forms of information technology. It is NCUA's policy to make all comments available to the public for review.

## **II. Data**

**Title:** Third Party Servicing of Indirect Vehicle Loans, 12 CFR §701.21(h)

**OMB Number:** 3133-0171.

**Form Number:** None.

**Type of Review:** Reinstatement, with change, of a previously approved collection.

**Description:** The rule limits the aggregate amount of indirect vehicle loans that federally insured credit unions loans may have serviced by any single third-party to a percentage of the credit union's net worth. Credit unions may apply for a waiver to this rule, which is the purpose of this data collection.

**Respondents:** Federally insured credit unions.

**Estimated No. of Respondents/Recordkeepers:** 15.

**Estimated Burden Hours Per Response:** 50 hours.

**Frequency of Response:** Upon waiver request.

**Estimated Total Annual Burden Hours:** 750 hours.

**Estimated Total Annual Cost:** 750 hours x \$31.56/hr, or \$23,670.

By the National Credit Union Administration Board on July 23, 2013.

Mary Rupp  
Secretary of the Board

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